



Risk Management Advisory: Use of Enterprise Rent-a-Car for travel outside Minnesota

Minnesota's contract with Enterprise Rent-a-Car is a convenient, low-cost solution for travel outside of Minnesota. The contract provides the state with significant protection in case of an accident or other mishap, therefore Risk Management Division (RMD) strongly encourages its use for out-of-state travel.

The current daily rental rate for a mid-size car with unlimited mileage is \$36.00, including supplemental liability coverage of up to \$2 million per occurrence and full coverage for physical damage to the vehicle. Contrast this with two facts:

- The state's liability limits under Minnesota Statute 3.736 are not applicable when using state vehicles beyond Minnesota's borders. As of July 1, 2009, these statutory liability limits will increase to \$500,000 per person and \$1.5 million for total claims arising from a single occurrence.
- The state cannot insure a personal vehicle; employees using a personal vehicle for official state business are responsible for insurance costs, including any deductibles or subsequent loss of use of the vehicle because of damage.

Risk Management Division has prepared the attached agency guide for determining appropriate vehicle travel options.

RMD provides auto liability insurance for all state-owned vehicles and provides risk and insurance management assistance to state agencies. The division's primary interest is in helping manage risk.

State agency guide for determining appropriate vehicle travel options

Introduction

State agencies and state employees traveling on official business have three primary options for vehicular travel: A state vehicle, a rental vehicle from the state vendor, and a personal vehicle. The following information from Risk Management Division offers guidance for determining the appropriate option.

State vehicle

A state vehicle is the best choice, in most cases, for official travel. State vehicles provide a safe, reliable and cost-efficient transportation solution for most in-state travel needs. More information is online at www.fss.state.mn.us/FleetServices.html.

Enterprise Rent-a-Car

The state has negotiated a \$36.00 daily rental rate, with unlimited mileage, for a mid-size car through Enterprise Rent-a-Car. This contract provides agencies with the best option for travel outside Minnesota. The Enterprise contract includes supplemental liability coverage of up to \$2 million per occurrence and full coverage for physical damage to Enterprise vehicles, whereas the state faces unlimited liability for state vehicles traveling outside Minnesota. Additional details regarding the Enterprise contract are online at [www.mainserver.state.mn.us/risk/PDF/V-33\(5\).pdf](http://www.mainserver.state.mn.us/risk/PDF/V-33(5).pdf).

Personal vehicle

Although state employees at times will use their personal vehicles for state business, agencies should limit this activity whenever possible. In most cases, a state vehicle or an Enterprise vehicle will be more economical. When business travel exceeds 100 miles, the cost to the agency is lower using an Enterprise vehicle when compared to the personal mileage reimbursement standard. It is also important to realize that the state cannot insure the use of a personal vehicle; therefore, the employee is responsible for insurance costs, including any deductibles or subsequent loss of use of the vehicle because of damage.

